

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. _____
18 U.S.C. § 371
18 U.S.C. § 2
42 U.S.C. § 1320a-7b

UNITED STATES OF AMERICA,

Plaintiff,

v.

JOSE LUIS FERREIRO,

Defendant.

_____ /

INDICTMENT

The Grand Jury charges that:

GENERAL ALLEGATIONS

At all times relevant to this Indictment:

1. The Medicare Program (“Medicare”) was a federal health care program providing benefits to persons who were over the age of sixty-five or disabled. Medicare was administered by the Centers for Medicare and Medicaid Services, a federal agency under the United States Department of Health and Human Services. Individuals who received benefits under Medicare were referred to as Medicare “beneficiaries.”

2. Part B of Medicare covered most out-patient services, including medical equipment and related medications used in the home. Medicare Part B reimbursed medical equipment suppliers for

the cost of renting medical equipment and pharmacies for the cost of providing medications used with such equipment, provided that such items were ordered by a physician who deemed them to be medically necessary for the patient. Medical equipment suppliers and pharmacies could submit claims directly to Medicare to obtain reimbursement for equipment and medications provided to eligible Medicare beneficiaries.

3. From approximately February 2002 through November 2002, defendant **JOSE LUIS FERREIRO** was the manager of International Surgical-Med Pharmaceuticals Corp. (International), a licensed pharmacy located in Miami, Florida. International was in the business of providing aerosol medications to Medicare beneficiaries residing in Miami-Dade, Broward and Palm Beach counties. Aerosol medications were used by patients suffering from respiratory ailments and were typically administered through an electric inhalation machine called a nebulizer.

4. From approximately November 2002 through April 2004, defendant **JOSE LUIS FERREIRO** was the manager of Lexa Medical Supplies, Inc. (Lexa), a licensed pharmacy located in Hialeah Gardens, Florida. Lexa was also in the business of providing aerosol medications to Medicare beneficiaries residing in Miami-Dade, Broward and Palm Beach counties.

COUNT 1
(Conspiracy: 18 U.S.C. § 371)

5. Paragraphs 1 through 4 of the General Allegations section are realleged and incorporated by reference herein.

6. From in or about February 2002, the exact date being unknown by the Grand Jury, and continuing through in or about April 2004, in Miami-Dade, Broward and Palm Beach counties, in the Southern District of Florida, and elsewhere, defendant,

JOSE LUIS FERREIRO,

did knowingly and willfully combine, conspire, confederate, agree and reach a tacit understanding with persons known and unknown to the Grand Jury to commit offenses against the United States, that is, to violate Title 42, United States Code, Section 1320a-7b(b)(2), by knowingly and willfully offering and paying remuneration directly and indirectly, overtly and covertly, to a person to induce such person (a) to refer an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part under the Medicare program; and (b) to purchase, lease, order, or arrange for or recommend the purchasing, leasing, or ordering of any item for which payment may be made in whole or in part under the Medicare program.

OBJECT OF THE CONSPIRACY

7. It was an object of the conspiracy for the defendant and his co-conspirators to unlawfully enrich themselves by paying more than a million dollars worth of kickbacks to the owners of medical equipment companies to induce their referral of patients to International and Lexa.

MANNER AND MEANS OF THE CONSPIRACY

The manner and means by which the defendant and his co-conspirators sought to accomplish the purpose and object of the conspiracy, included, but were not limited to, the following:

8. Defendant **JOSE LUIS FERREIRO** worked as a manager at International and Lexa, two South Florida pharmacies which provided aerosol medications to Medicare beneficiaries.

9. Defendant **JOSE LUIS FERREIRO** established relationships with the owners of durable medical equipment (DME) companies in order to obtain Medicare referrals for International and Lexa.

10. Defendant **JOSE LUIS FERREIRO** paid the DME owners a cash kickback for each Medicare beneficiary referred to International or Lexa.

11. Defendant **JOSE LUIS FERREIRO** or a co-conspirator would deliver aerosol medications to the referred beneficiaries and then submit claims to Medicare on behalf of International and Lexa seeking reimbursement for the cost of such medications.

12. After Medicare paid International and Lexa for these claims, defendant **JOSE LUIS FERREIRO** would kickback 50% of the Medicare payments to the DME owners.

13. To conceal the fact that he was paying referral fees, defendant **JOSE LUIS FERREIRO** always made the kickback payments in cash and delivered them personally to each DME owner.

OVERT ACTS

In furtherance of the conspiracy and to accomplish its objects, at least one of the co-conspirators committed or caused to be committed, in the Southern District of Florida, and elsewhere, at least one of the following overt acts, among others:

A. In or about August 2002, defendant **JOSE LUIS FERREIRO** paid a cash kickback of approximately \$647 to a DME owner in return for his referral of patients to International for the provision of aerosol medication.

B. In or about October 2002, defendant **JOSE LUIS FERREIRO** paid a cash kickback of approximately \$647 to a DME owner in return for his referral of patients to International for the provision of aerosol medication.

C. In or about January 2003, defendant **JOSE LUIS FERRERO** paid a cash kickback of approximately \$431 to a DME owner in return for his referral of patients to Lexa for the provision of aerosol medications.

D. In or about September 2003, defendant **JOSE LUIS FERREIRO** paid a cash kickback of approximately \$431 to a DME owner in return for his referral of patients to Lexa for the provision of aerosol medication.

E. In or about January 2004, defendant **JOSE LUIS FERREIRO** paid a cash kickback of approximately \$6,548 to a DME owner in return for his referral of patients to Lexa for the provision of aerosol medication.

F. In or about March 2004, defendant **JOSE LUIS FERREIRO** paid a cash kickback of approximately \$5,039 to a DME owner in return for his referral of patients to Lexa for the provision of aerosol medication.

All in violation of Title 18, United States Code, Section 371.

COUNTS 2 -7

1. Paragraphs 1 through 4 of the General Allegations section are realleged and incorporated by reference herein.

2. In or about the dates enumerated below, in Miami-Dade County, in the Southern District of Florida, and elsewhere, defendant,

JOSE LUIS FERREIRO,

did knowingly and willfully offer and pay remuneration, that is, kickbacks and bribes, in the amounts specified below, directly and indirectly, overtly and covertly, to a person, that is, the owner of Double-A Plus Medical Supplies, to induce such person (a) to refer an individual to the pharmacy listed below for the furnishing and arranging for the furnishing of an item for which payment may be made in whole or in part by Medicare, and (b) to purchase, lease and order or arrange for or recommend the purchasing, leasing or ordering, through the pharmacy listed below, of any items

for which payment may be made in whole or in part by Medicare:

<u>Count</u>	<u>Date of Payment</u>	<u>Amt of Payment</u>	<u>Pharmacy</u>	<u>DME</u>
2	August 2002	\$647 cash	International	Double-A Plus
3	October 2002	\$647 cash	International	Double-A Plus
4	January 2003	\$431 cash	Lexa	Double-A Plus
5	September 2003	\$431 cash	Lexa	Double-A Plus
6.	January 2004	\$6,548	Lexa	New York Century
7.	March 2004	\$5,039	Lexa	New York Century

All in violation of Title 42, United States Code, Sections 1320a-7b(b)(2)(A) and (B) and Title 18, United States Code, Section 2.

A TRUE BILL

FOREPERSON

R. ALEXANDER ACOSTA
UNITED STATES ATTORNEY

ADRIENNE RABINOWITZ
ASSISTANT UNITED STATES ATTORNEY